

Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 IO-10 ISO-00 ACDA-05 SAM-01 SAJ-01

OMB-01 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07 COME-00

FEA-01 INT-05 STR-04 TRSE-00 CIEP-01 AID-05 CEA-01

/110 W

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R 181816Z JUL 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1534

INFO AMCONSUL JERUSALEM

AMEMBASSY TEL AVIV

AMEMBASSY AMMAN

AMEMBASSY DAMASCUS

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY JIDDA

USMISSION USUN NEW YORK

USMISSION USBERLIN

AMEMBASSY BERLIN

C O N F I D E N T I A L SECTION 01 OF 02 BONN 11718

E.O. 11652: GDS

TAGS: PFOR, IS, CW

SUBJECT: RABIN VISIT TO THE FRG

REF: BONN 04549

SUMMARY: RABIN'S VISIT WAS A PUBLIC
RELATIONS SUCCESS, BUT A FOREIGN
MINISTRY OFFICIAL SAID THAT RABIN
FOUND GOVERNMENT OFFICIALS UNWILLING
TO REPUDIATE THE E.C. DECLARATION
ON THE MIDDLE EAST OR TO INCREASE

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ECONOMIC ASSISTANCE TO ISRAEL.

END SUMMARY.

1. ISRAELI PRIME MINISTER ITZAK RABIN VISITED THE FRG JUNE 8-12. IN ADDITION TO SYMBOLIC VISITS TO BERLIN AND BERGEN BELSEN, HE HELD DISCUSSIONS WITH PRESIDENT SCHEEL, CHANCELLOR SCHMIDT, FOREIGN MINISTER GENSCHER, SPD CHAIRMAN WILLI BRANDT, AND CDU SECRETARY GENERAL KURT BIEDENKOPF. THE GERMAN PRESS SAW THE VISIT AS MARKING A WATERSHED IN WEST GERMAN-ISRAELI RELATIONS.

2. FOREIGN MINISTRY DESK OFFICER, WHO IS RESPONSIBLE FOR MIDDLE EAST AFFAIRS, BRIEFED EMBASSY OFFICER ON RABIN'S CONVERSATIONS WITH GOVERNMENT OFFICIALS. RABIN AND CHANCELLOR SCHMIDT SPOKE FOR THREE HOURS, BUT NO ONE FROM THE FOREIGN MINISTRY WAS PRESENT DURING TWO THIRDS OF THE CONVERSATION. THEREFORE, OUR SOURCE WAS UNFAMILIAR WITH WHAT WAS PROBABLY ONE OF THE MOST IMPORTANT CONVERSATIONS DURING THE VISIT. OUR SOURCE DID SAY, HOWEVER, THAT THE CHANCELLOR HAD URGED RABIN TO BE MORE FORTHCOMING REGARDING AN INTERIM AGREEMENT WITH EGYPT, ARGUING THAT AN INTERIM AGREEMENT WAS ESPECIALLY IMPORTANT TO THE FRG BECAUSE A SECOND OIL BOYCOTT WOULD BE "DISASTROUS" FOR THE GERMANS. RABIN COMPLAINED THAT THE 1973 EC DECLARATION ON THE MIDDLE EAST WAS "PRO ARAB" AND URGED THE GERMANS NOT TO TAKE A POSITION ON A SETTLEMENT BETWEEN ISRAEL AND THE ARABS SAYING THAT JARRING HAD FAILED BECAUSE HE HAD INJECTED HIS OWN IDEAS INTO THE DISCUSSION. THE CHANCELLOR REJECTED RABIN'S ASSERTION REGARDING THE DECLARATION, POINTING OUT THAT SUPPORTED THE INTEGRITY OF ALL STATES IN THE MIDDLE EAST, INCLUDING ISRAEL. SCHMIDT ACCEPTED RABIN'S INVITATION TO VISIT ISRAEL, BUT A DATE WAS NOT SET.

3. OUR SOURCE SAID THAT THE RABIN-GENSCHER MEETING CONSISTED PRIMARILY OF A LONG MONOLOGUE IN WHICH RABIN RECITED HIS VERSION OF THE HISTORY OF THE ARAB-ISRAELI CONFLICT. GENSCHER WILL VISIT ISRAEL IN NOVEMBER.

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FEA-01 INT-05 STR-04 TRSE-00 CIEP-01 AID-05 CEA-01

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R 181816Z JUL 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 1535

INFO AMCONSUL JERUSALEM

AMEMBASSY TEL AVIV

AMEMBASSY AMMAN

AMEMBASSY DAMASCUS

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 11718

4. RABIN'S PRIMARY SUBSTANTIVE INTEREST IN THE FRG WAS ECONOMIC. HE URGED THE GERMANS TO INCREASE THE CAPITAL ASSISTANCE LOAN TO ISRAEL (DM 140 MILLION FOR 1975) IN 1976. HOWEVER, THE GERMANS, WHO ARE HOLDING THE LINE ON FOREIGN AID, SAID THAT ALTHOUGH THEY COULD NOT INCREASE THE LOAN TO ISRAEL IN 1976, THEY WOULD NOT REDUCE IT. THEY WOULD, HOWEVER, SET NEW TERMS. IN 1976, THE INTEREST RATE WOULD HAVE TO BE INCREASED FROM 2 PERCENT TO 4.5 PERCENT. THE LOAN WOULD BE FOR 20 YEARS INSTEAD OF 30, AND THE FIRST PAYMENT WOULD BECOME
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DUE AFTER 5 YEARS INSTEAD OF 10. DISSATISFIED WITH

THOSE TERMS, RABIN DISCUSSED THE ISSUE WITH FINANCE
MINISTER APEL, BUT WITH LITTLE SUCCESS.

5. RABIN ALSO EXPRESSED UNHAPPINESS WITH
ISRAEL'S BALANCE OF PAYMENTS DEFICIT WITH THE FRG AND
ASKED THE GERMAN OFFICIALS TO DO MORE TO ENCOURAGE FRG
INVESTMENT IN ISRAEL. THE GERMANS SAID THAT THEY WOULD
BE HAPPY TO SEE ADDITIONAL PRIVATE GERMAN INVESTMENT
IN ISRAEL. HOWEVER, WITH DM 150 MILLION IN INVESTMENTS
GUARANTEED BY THE GERMAN GOVERNMENT, ISRAEL ALREADY
RANKS THIRD AMONG COUNTRIES IN WHICH THE FRG GUARANTEED
INVESTMENT. THEREFORE, THE ISRAELIS WOULD HAVE TO DO
MORE THEMSELVES TO INCREASE THEIR EXPORTS TO THE FRG.
SEEKING ADDITIONAL INVESTMENT, RABIN VISITED THE
BUNDESVEREINIGUNG DER DEUTSCHEN INDUSTRIE WHO WILL SEND
A DELEGATION TO ISRAEL IN THE FALL.

6. ASKED IF THE FRG HAD IDEAS ON THE COMPONENTS OF A
FAIR AND REALISTIC SETTLEMENT IN THE MIDDLE EAST, OUR
SOURCE RESPONDED THAT THE FRG SUPPORTS THE EC
DECLARATION INCLUDING THE INADMISSIBILITY OF THE
ACQUISITION OF TERRITORY BY FORCE, AND THAT THE FRG
WOULD RESIST ARAB EFFORTS TO HAVE ISRAEL SUSPENDED FROM
THE UNGA.
HILLENBRAND

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